

People. Pigs. Planet.™

MICHIGAN PORK

Mary Kelpinski
Chief Executive Officer
Michigan Pork Producers Association



Working Together



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Pork and the Michigan Economy

- 2,691 farms
- \$332.7 million in sales
- \$567.3 million in total economic activity
- 8,800 people employed on farms
- 13th largest pork producing state



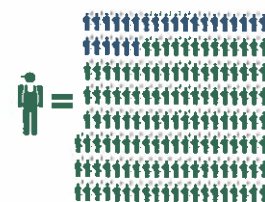
MSU Product Center, The Strategic Marketing Institute, The Economic Impact of Michigan's Pork Industry

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Modern Farming Practices

- One American farmer feeds 155 people
- In 1960, a farmer fed 25 people



Today 1 Farmer feeds 155 people

Source: American Farm Bureau

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It's Not Your Parents' Pork

Pork is safer, leaner and more nutritious than ever before.



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In the Late 1970s

Americans became aware of the link between fat in their diet and health.

We began changing our diet:

- Between 1979 and 1985, demand for pork fell 4% per year
- Sales of chicken surged

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Pork Has Changed

- **Selective Breeding** – using traditional techniques that focus on selecting the best traits,
- **Nutrition** – feeding a prescribed diet that provides the right nutrients at the right time,
- **Animal Health** – keeping pigs healthy by preventing and controlling sickness.

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50 Years Ago



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Today

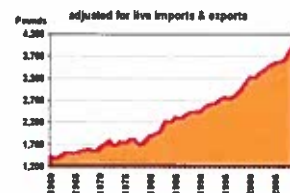


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Pork Has Changed

- **Healthier Pigs = More Meat**
- **Annual Meat Production Per Sow Has More Than Doubled**



Source: USDA/NASS - Farm Plans, MU

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Pork Has Changed



Since 1959

Garth Boyd, Ph.D./National Pork Board 2012

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Modern Barns



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Breeding and Birthing

- Sows are pregnant 114 days.
- Sows will produce 10 to 13 piglets per litter.
- Piglets are weaned 21 days after birth.



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Nursery



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Finishing



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Animal Health



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Animal Health

Treatment based on recommendations from veterinarians and in strict compliance with FDA rules.



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In 2006 the hard work paid off with an important milestone.

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USDA Study Showed:

- Pork tenderloin is as lean as skinless chicken breast
- The 7 most common pork cuts are 16 percent leaner than 25 years ago
- Saturated fat has dropped 27 percent



USDA, University of Wisconsin-Madison, University of Maryland

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American Heart Association Heart-Check Mark

Pork Tenderloin and Sirloin Certified
as Heart-Healthy Food Choice



Extra Lean

CERTIFIED by
American Heart Association
heartcheckmark.org

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Today's Pork

Nutrient	% of Daily Value
Iron	5%
Magnesium	6%
Phosphorous	20%
Potassium	11%
Zinc	14%
Thiamin	54%
Riboflavin	19%
Niacin	37%
Vitamin B12	8%
Vitamin B6	37%

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Today's Pork – Better For You

Meat (3 oz)	Calories (Kcal)	Fat (g)	Cholesterol (mg)	Sodium (mg)
Pork Tenderloin, roasted	122	2.98	62	46
Chicken Breast, without skin, roasted	142	3.03	71	62
Pork - Ground, 96% lean broiled	157	5.27	72	75
Beef - Top Sirloin lean broiled	172	6.8	76	56

USDA National Nutrient Database for Standard Reference

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Communicating Cooking Temperature

Be inspired!
PorkCheckoff.com



- Research shows that Americans have a tendency to overcook pork.
- Cooking temperature guidelines make it easier for consumers to create perfectly cooked pork that is moist and delicious.
- A consistent eating experience is the gateway to increase repeat sales.

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The Pork Industry Is Growing

- 2016 production broke all records.

- Total number of hogs/pigs is 71.5m – up 3.7% over 2015, up from Q3.
- Breeding herd continues to grow and is up 1.5% over 2015, up 1% from Q3.
- Market hog inventory at record high – up 4% over 2015, up slightly from Q3.



Source: Hogs & Pigs Report Q3/2016

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US Pork Production Impact

- Over 60,000 pork producers annually market more than 110 million hogs.
- These animals provided total gross receipts of \$23.4 billion.
- The pork industry supports over 550,000 US jobs.
- Exports of pork products total over 2.2 million metric tons annually...about 25% of US production.



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Pork Is No. 1 Worldwide



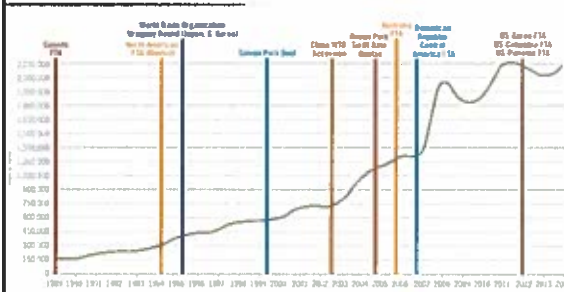
- Average export value per head = **\$48.34**
- Great flavor translates into any language.

About 25 percent of U.S. pork production goes overseas.
We need to continue moving product to keep our producers profitable.

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U.S. Export Growth Correlates with FTAs



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Who's Buying U.S. Pork?

TOP 5 MARKETS, VOLUME - 2016

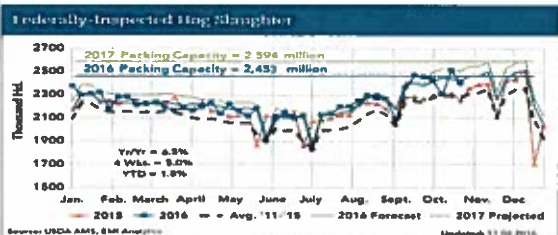
U.S. pork was exported to customers in every continent except Antarctica in 2016. More than 100 countries around the world bought U.S. pork for its high quality, safety and consistency.



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Hog Slaughter and Packing Plant Capacity



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The Pork Industry is Growing

U.S. Packing Capacity Under Construction

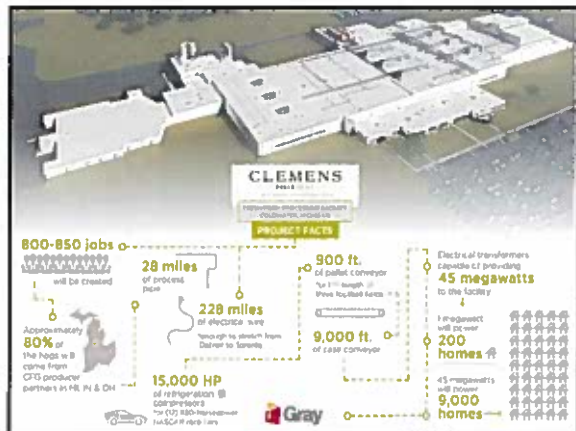
	Fall 2016		Fall 2017		Fall 2018	
	Daily H4	Ann H4	Daily H4	Ann H4	Daily H4	Ann H4
Pleasant Hope, MO	2,500	625,000	2,500	625,000	2,500	625,000
Windom, MN			4,000	1,000,000	4,000	1,000,000
Sioux City, IA			12,000	3,000,000	12,000*	3,000,000
Coldwater, MI			10,000	2,500,000	10,000	2,500,000
Wright County, IA					10,000	2,500,000
Total	2,500	625,000	28,500	7,125,000	38,500	9,625,000
Head per week		12,019		137,019		185,094
Pct of '15 avg = 2.195 mil.		0.5%		6.2%		8.4%
Pct of '15 max = 2.507 mil.		0.5%		5.5%		7.4%

The plant could process 20,000 head per day if double-shifted by the end of 2018.

Last Updated: 11/2/16

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Clements Food Group

- Coldwater Township
- Over 800 new jobs



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Clements Food Group

- Opening late 2017
- 10,000 hogs per day



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Some Top Producer Issues for 2017

- Market Preparedness / Exports / Marketing
- Antibiotics and Messaging
- Foreign Animal Disease / Emerging Disease – Secure Pork Supply
- Pork (food) Safety / Nutrition
- Animal Welfare
- Environmental / Water – Permits to Build New Facilities
- Science / Technology Acceptance – Gene Editing
- Pork Quality
- Price Discovery
- Vet Credibility

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Questions?

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Today's Checkoff Rate = .40% of value (40 cents/\$100)

- 1986 = .25% of value
- 1991 = .35% of value
- 1995 = .45% of value
- 2002 = .40% of value (or 40 cents per \$100 value on each sale of market hog, feeder pig, or seedstock)
- Formula example:
 - 280 lb. pig x 50¢/lb. of market value = \$140 total value
- \$140 x .004 Checkoff rate = 56¢/head of Checkoff for this pig

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